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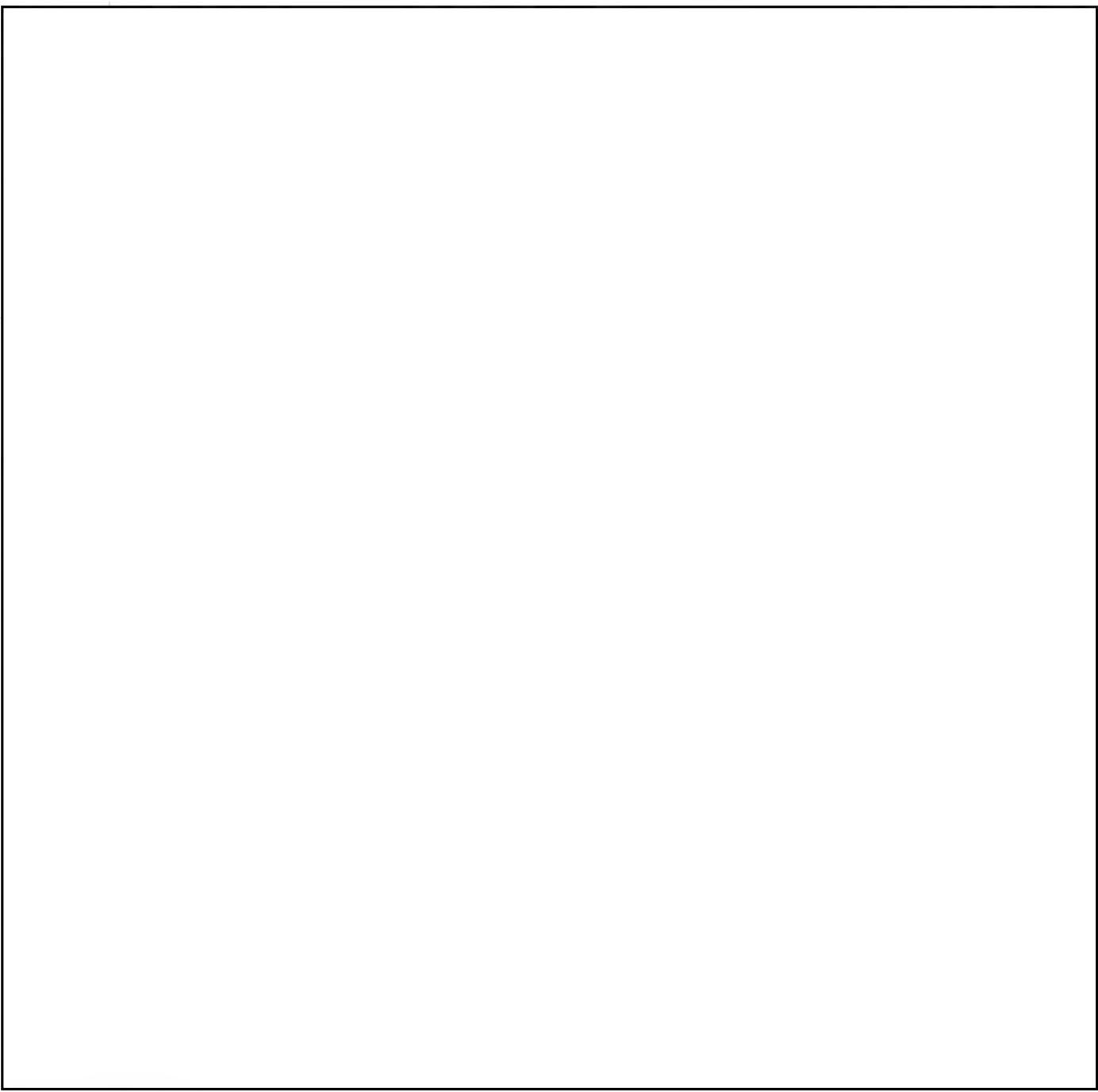
~~ALL INFORMATION CONTAINED~~

~~HEREIN~~
EYES ONLY

14 September 1959

OGC

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OGC Has Reviewed

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~~ALL INFORMATION CONTAINED~~

~~HEREIN~~
EYES ONLY

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Well Well

20 August 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Conversation with Roger Jones

Roger Jones telephoned mentioning the previous conversation concerning section 12 of the Veterans' Preference Act that he had with Mr. Lawrence Houston. He inquired if this could wait over a short time and I informed him that we ourselves were planning to wait until the return of Mr. Houston and Gordon Stewart.

STAT

Acting General Counsel

OGC:JSW:mks

cc: A/DD/S

D/Personnel

OGC chrono-no circ

Orig OGC subject-Held by LRH

EYES ONLY

18 August 1959

MEMORANDUM FOR THE RECORD

SUBJECT: Involuntary Separation of Personnel

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Talked to [redacted] and Gates Lloyd and it was agreed that this should await Gordon Stewart's return and probably Mr. Houston's return. [redacted] information is that Gordon had talked to Roger Jones about this and very much wanted to do it with Mr. Houston.

[redacted]

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EYES ONLY

~~THIS IS UNCLASSIFIED~~

DD/3-59-3539

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~~SECRET~~

6 August 1962

MEMORANDUM FOR: Director of Central Intelligence

SUBJECT : Involuntary Separation of Personnel

1. As a result of our discussion at the Deputies' Meeting on Wednesday, 15 July, regarding "reduction of the strength of the Agency", I should like to outline briefly my thoughts with regard to our dilemma and the alternatives which are open to us.

2. Let us assume that we are definitely going to reduce the actual on-duty strength of the Agency by a minimum of [redacted] by 30 June 1960 and considerably more after that time---say, [redacted] as the Inspector General has suggested may be possible. Let us also assume that it will be possible through increased efficiency, elimination or curtailment of functions, organizational changes, etc., to reduce our personnel requirements by this amount. If these assumptions are valid, experience indicates that normal attrition will not provide the necessary separations; neither will our current efforts to select out substandard personnel, find jobs elsewhere for people whom we don't need, persuade people who are eligible for annuities to retire, etc. The problem then resolves itself into a question of "How are we going to effect the involuntary separation of personnel who are excess to our requirements, many of whom have been with us for a number of years and who have given and are still giving satisfactory service, and who are not and will not for several years be eligible for an annuity?"

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3. What are the alternatives?

a. The first alternative would be to obtain special legislation which would permit us to separate the personnel in question with either severance pay or an annuity. This would be the most painless from our point of view. However, from our conversations with Mr. Sciliano, the President's Personnel Advisor, Mr. Lewton and Mrs. Gunderson of the Civil Service Commission, and Mr. Macy, Bureau of the Budget, I doubt seriously that we could get Administration approval to submit legislation for this purpose. (In fact, it is going to be a steep uphill climb to get Administration approval for temporary early retirement legislation to solve our "hump" or "age-in-grade" problem which, in my opinion, is quite different from the problem of reducing our on-duty strength.)

b. The second alternative would be to have a normal reduction in force in accordance with Civil Service Commission procedures. If we

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ROUTING AND RECORD SHEET

SUBJECT: (Optional)

Involuntary Separation of Personnel

EYES ONLY

FROM:

Deputy Director (Support)
Room 124A, East Building

SECRET

NO.

DD/S-59-3559

DATE

6 August 1959

TO: (Officer designation, room number, and building)

DATE

OFFICER'S
INITIALS

RECEIVED

FORWARDED

COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)

1. General Counsel
Room 221, East Building

2.

3.

4.

5.

6.

7.

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10.

11.

12.

13.

14.

15.

1. Per our earlier conversation, please explore this with the Civil Service Commission. I think that it would be desirable to do this orally in the first instance.

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L. K. White

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EYES ONLY

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68/S 59-3458

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MEMORANDUM FOR: Deputy Director (Support)

SUBJECT: Reduction in Size of the Agency Staff

1. The purpose of this memorandum is to recommend that General Counsel inquire of the Chairman of the Civil Service Commission whether this Agency is exempt from the provisions of Section XII of the Veterans Preference Act. This recommendation is in response to Mr. Houston's question of 13 July whether we are really serious about attempting a RIF on the basis of rules that we would establish rather than those prescribed in the Veterans Preference Act. His note to me and the draft of a letter to Chairman Jones are attached.

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3. My second reason for making this recommendation is that we have a long way to go in establishing procedures and in training Agency officials in the matter of effecting reductions, whether these be general in nature or the hump reductions which we may undertake in the future. I believe that whatever kind of reduction we set about to accomplish will require essentially the same procedures and the same attitude and will power on the part of executive personnel.

4. I am aware that Mr. Houston has already obtained from the Justice Department a commitment to support the Agency should litigation result from the application by CIA of procedures separate from those approved by the Civil Service Commission under the Veterans Preference Act. I would not think that this understanding with the Department of Justice dispenses with the need to arrive at an understanding also with the Civil Service Commission. In the event an employee who was being separated under the Agency's own procedures wanted to contest such action his appeal would have to be directed initially to the Commission before filed with the Courts.

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5. I had delayed my response to General Counsel pending a discussion among the people of this office concerning the procedures that we might follow were we to be relieved of the need to follow Section XII of the Veterans Preference Act. I am now satisfied that we have developed a draft outline of such procedures which is basically equitable and yet which holds the promise that we could accomplish our ends by following it.

6. In suggesting that the Agency consider applying the internal RIF procedure to one or several of its components, we must be clear in our minds that there is a true distinction between the actions that would be taken in accordance with this procedure and those that would proceed from the early retirement or separation with terminal allowance legislation. I feel that we can quite properly apply the RIF procedure to personnel who: (a) would not qualify in terms of length of service for an annuity or terminal allowance, or (b) are such mediocre performers as not to have earned the consideration that is intended in our proposed legislation. I feel that it would be entirely wrong to RIF some people now without an annuity and then within a year or so to separate on annuity people who are no better.



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Gordon M. Stewart
Director of Personnel

Attachments:

1. General Counsel draft memo to CSC
2. Draft CIA Procedure

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1. Personnel Policy Controlling Staff Reductions: The unique and urgent tasks through which the Central Intelligence Agency carries on its mission depend for their success most importantly on the readiness of the Agency's manpower resources to match the requirements which each program generates. It is therefore essential that the Agency develop and implement such policies of personnel management as will insure that current and long-range needs are fulfilled. The methods adopted by the Agency for making manpower adjustments, as the need for such adjustments may from time to time occur, must conform to the paramount purpose of retaining those employees who possess the required ability and potential.

The procedures established by the Agency to make reductions in the numbers of its staff, when such reductions are directed, incorporate elements to insure that

- (a) The employment of personnel will not be jeopardized by reason of the circumstance or accident of the location of their assignments at the time personnel reductions are made;
- (b) Personnel not be released from employment, while others in the same grade and in the same Career Service are being retained, for reasons other than those prescribed herein,
- (c) Personnel be separated from employment as a result of reduced staff ceiling which affect their grade and Career Service only after all possibilities have been exhausted for their reassignment to other positions commensurate with their skills and ability.
- (d) The decisions required to bring the Agency's staffing situation

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into balance with program objectives and limitations on personnel matters be based on carefully considered judgments concerning individual employees and their future in the Agency, and in order to have validity, such judgments must be developed and confirmed by officials in the Agency who are responsible for giving direction to the operations through which the Agency's mission goals must be accomplished.

2. Planning Personnel Reductions: Deputy Directors will instruct their components to undertake revisions of their planning papers consistent with planned ceiling reductions. Such staff reductions will be proportionately distributed throughout the entire grade structure as set forth in the planning paper except insofar as a reduction may affect only one category of personnel occupying a limited grade range. Individual Career Service staffing authorizations will be developed or amended (in accordance with)

upon approval of new or revised planning papers. In order to avoid serious imbalance in the grade structure of individual career services as a result of Agency staff reductions, position spaces incorporated in Career Service staffing authorizations will normally be reduced at each grade level on an equally proportioned basis.

3. Determining Personnel to be Released: The procedures provided herein set forth the steps which will be followed in order to determine which employees must be released to reach the staffing levels planned in accordance with the foregoing paragraph.

(a) Heads of those Career Services which must effect staff reductions will initiate necessary action to develop separate retention registers for each grade level affected by the planned reduction.

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Each register will comprise a rank order listing of all personnel in the grade level concerned. The ranking denotes the order of precedence for retention by the Career Service in the event staff reductions are required in the grade for which a register is applicable. Rankings in order to establish registers may be accomplished by

- (1) Career Service Boards or panels specifically established to develop rankings, or
- (2) Heads of offices, divisions or staffs to which personnel who are members of the Career Service concerned are assigned.

The standing of individuals on retention registers will be established from point ratings (composite ratings if made by boards or panels) made for all persons to be included on the register.

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Ratings will be recorded on an evaluation form designed particularly to rate persons on those factors or criteria regarded most relevant to these competitive comparisons. Summarized, these appraisal elements include:

- (1) Position performance, requiring a rating of how well the employee's present job has been performed, considering quantity and quality of work done, and weighing the value of his contribution in the light of the duties of his position;
- (2) Qualifications, including knowledge of functional skills related to the career area concerned, and the scope and depth of such knowledge, foreign language skills, verbal facility, intellectual ability, personal characteristics, initiative, leadership and creativeness.
- (3) Potential for future usefulness, calling for analysis and rating of the capacities of personnel for continued growth, broadened outlook and advancement in the career field; also, versatility and mobility for assignment to positions in the range of activity applicable to the Career Service concerned.

Ties in personnel rankings which would result from two or more persons holding the same point ratings will be avoided by assigning precedence to personnel with the longest periods of Federal (including military) service.

(b) After the Career Service retention registers are corrected or amended, an ad hoc panel of Agency personnel not members of the Career Service will be convened to develop a separate schedule of retention ratings from among those employees listed on the Career Service registers, the number of such employees referred to the Committee being equal to twice the number to be released. The selection of employees for rating by the panel must be made in order beginning with the lowest ranking employee listed on the Career Service retention register. The Examining Board will proceed to review all Agency materials and records determined by the Board to be pertinent to the development of a composite Board rating for each person under consideration by the Board, but entirely independent from the ratings and order of precedence established in accordance with paragraph 3(a) above. Accordingly, prior ratings and rankings will not be furnished to the Board. In order to develop retention ratings, the Board will give consideration to

- (1) The Agency record of on-the-job performance
- (2) Demonstrated potential for continued growth
- (3) Evidence of career interests and aspirations

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- (4) Record of special achievements, commendations, awards or adverse actions
- (5) Previous mobility
- (6) Evidence of qualifications, including functional competencies, special abilities, and personal qualities

(c) Heads of Career Services will then decide which employees at each grade level are to be released. Personnel selected for release must be from among those rated by the Examining Board. Heads of Career Services must give the most considered judgment to the results of both the ranking process as set forth in paragraph 3 (a) and to the ratings made by the Examining Panel.

(d) The names of those persons selected for release from the Career Service by the Head thereof, in accordance with the preceding sub-paragraph, will be referred to the Director of Personnel. Every reasonable effort to locate a suitable reassignment, at the same or lower grade, will be made by the Office of Personnel. In the event no reassignment can be made, the Director of Personnel will address a notification to each employee who is to be separated. This notice will state the action to be taken, the effective date (to be not less than 30 days following receipt of notice) and such other related information as will assist the employee in making the personal arrangements which termination of Agency employment will entail.

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CENTRAL INTELLIGENCE AGENCY
 OFFICIAL ROUTING SLIP

| TO | NAME AND ADDRESS | INITIALS | DATE |
|-------------|----------------------------------|----------------|------|
| 1 | Exo/Par Director of Personnel | | |
| 2 | 2611 Curie | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| ACTION | DIRECT REPLY | PREPARE REPLY | |
| APPROVAL | DISPATCH | RECOMMENDATION | |
| COMMENT | FILE | RETURN | |
| CONCURRENCE | INFORMATION | SIGNATURE | |

Remarks:

Gordon: We discussed the subject of RIFs
 [redacted] and I said we
 would pursue the technical aspects. Attached
 is one approach to getting a ruling on this.
 I do not want to pursue it, however, unless
 we are really serious about it, and I under-
 stand at the present time you feel that such a
 RIF procedure would not meet our problem.
 Would you let me know how you feel about
 it at this time?

LRHouston

| FOLD HERE TO RETURN TO SENDER | |
|--|--------------|
| FROM: NAME, ADDRESS AND PHONE NO. | DATE |
| General Counsel 221 East | 7/13/59 |
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**Honorable Roger C. Jones
Chairman, Civil Service Commission
Washington 25, D. C.**